Post-Election Reporting and
Winding Down the Campaign Roundtable

Post-Election Reporting & Winding Down the Campaign

Roundtable for Candidate Committees

November 14, 2012

2012 FEC Information Division

Objectives

- Review reporting schedule, highlighting end-of-cycle reporting requirements
- Explain how to handle loans and debts
- Describe requirements for ongoing and terminating committees

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I. Reporting Schedules and Importance of Timely Filing

Reporting Schedules & Importance of Timely Filing

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Reporting Schedule

For 2012 General Election Candidates

Report	Coverage Dates	Due Date
30-Day Post-General*	**10/18/12 – 11/26/12**	**12/6/12**
Year End	11/27/12 – 12/31/12	1/31/13
April Quarterly	1/1/13 – 3/31/13	4/15/13
July Quarterly	4/1/13 – 6/30/13	7/15/13
October Quarterly	7/1/13 – 9/30/13	10/15/13

* Use Post-Election Detailed Summary Page for 30-Day Post-General Report

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A. Filing Schedule:

Quarterly filing is mandatory for campaigns (House, Senate, Presidential).

1. Committees that competed in the General Election must file a **30-Day Post-General Election Report** covering **10/18/12 to 11/26/12**, due **12/6/12**. **A Post-Election Detailed Summary Page must be used on this report.**
2. Committees that did not compete in the General Election must file a Year End Report covering 10/1/12 to 12/31/12, due 1/31/13. **A Post-Election Detailed Summary Page must be used on this report.**
3. Authorized committees file quarterly reports in off-election years, due April 15, July 15, October 15 and January 31.
4. Reporting period always begins the day after close of books of last report filed.

Reporting Schedule

For Candidates not in 2012 General Election

Report	Coverage Dates	Due Date
Year End*	**10/1/12 – 12/31/12**	**1/31/13**
April Quarterly	1/1/13 – 3/31/13	4/15/13
July Quarterly	4/1/13 – 6/30/13	7/15/13
October Quarterly	7/1/13 – 9/30/13	10/15/13

* Use the Post-Election Detailed Summary Page for Year End Report

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Administrative Fine Program

- Civil money penalties for filing late, or not filing at all.
- Size of fine depends on various factors (including level of financial activity and prior Administrative Fines assessed).
- Penalty calculator on FEC website at *http://www.fec.gov/af/af_calc.shtml*

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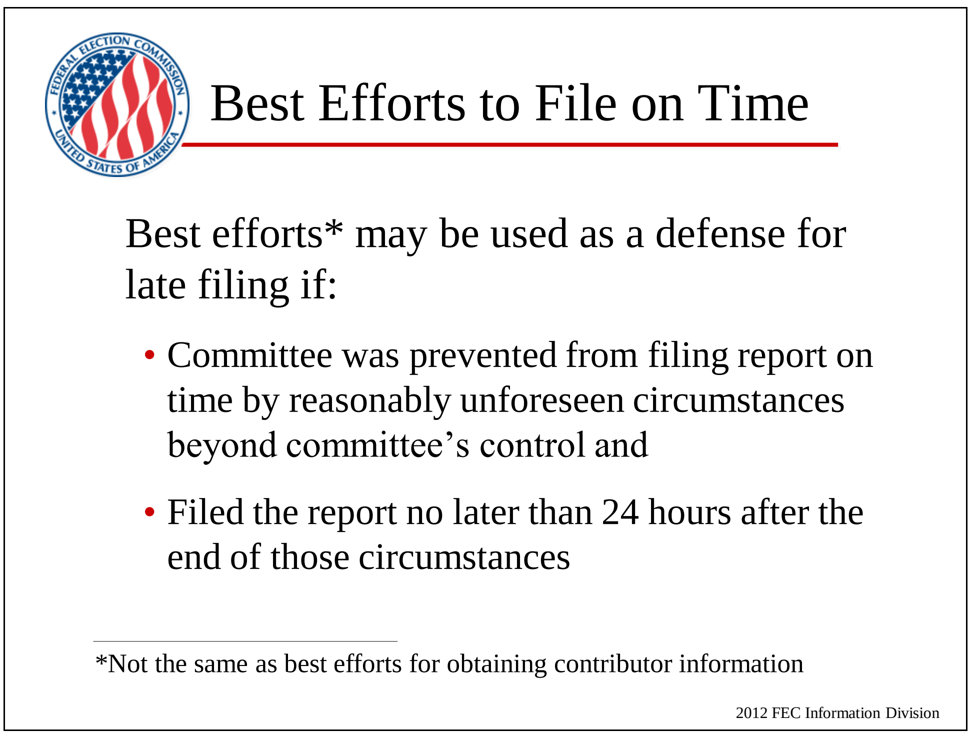
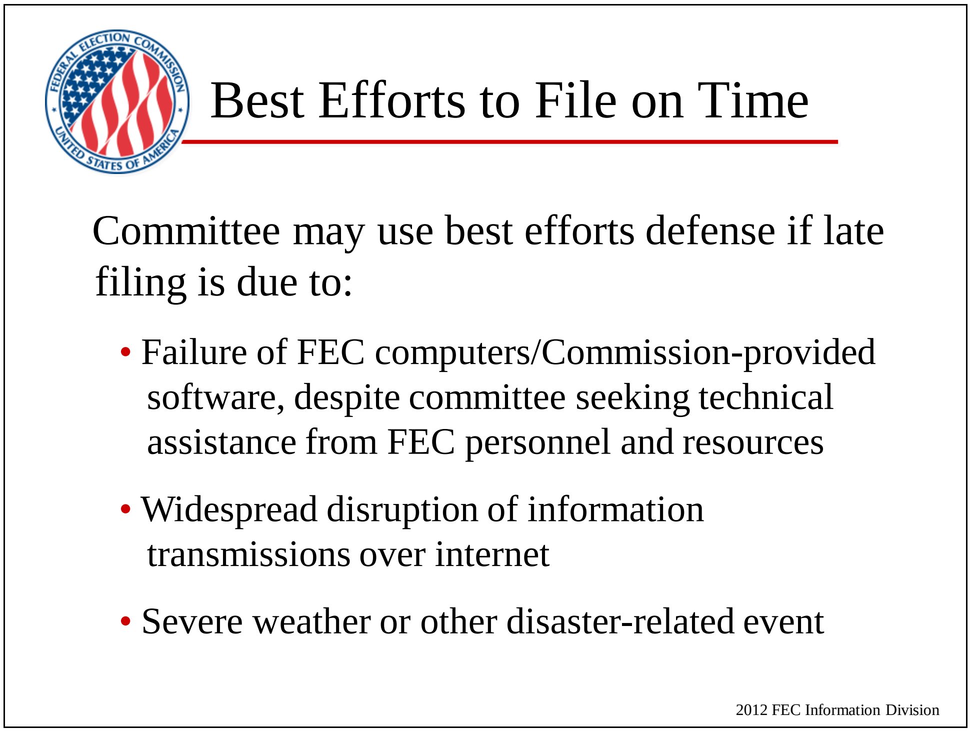
B. Administrative Fines Program (AFP)

1. **Background**
   Program for assessing civil money penalties for violations for failure to file reports on time and/or at all.
2. **Applies to:**
   a) Late filers
   b) Non-filers
   c) Regulations found at 11 CFR 111.30-111.45
3. **Civil Money Penalties – Factors in determining**:
   The interaction of several factors will determine the size of the penalty (also see calculator on website at http://www.fec.gov/af/af_calc.shtml):



C. Timely Filing/Using Best Efforts (not the same as "best efforts" for obtaining contributor information)

1. **Reports required on time**; no extensions.
2. **If report not filed on time**, committees may use "best efforts" defense if committee took normal precautions and trained staff, but failure to report was due to circumstances beyond committee's control and the late report was filed within 24 hours after those circumstances ended (pursuant to April 2007 revisions to AFP regulations).



3. When can best efforts defense be used:

a) Committee may use best efforts defense if failure to report is due to failure of Commission computers or software, despite receiving Commission technical assistance; widespread disruption of information transmissions over the internet; or severe weather or other disaster-related event.

Best Efforts to File on Time

Committee may **not** use best efforts defense if late filing is due to:

- Negligence;
- Illness, inexperience or unavailability of treasurer or committee staff;
- Committee computer, software or ISP failures;
- Delays caused by committee vendors/contractors;
- Failure to know; or
- Failure to use filing software properly.

2012 FEC Information Division

b) Committee may not use best efforts defense if failure to report is due to unavailability, inexperience or negligence of staff, counsel or organization, failure of committee's computer system, delays caused by vendors, failure to understand or know the law or failure to use filing software properly.

4. For more information, review:
http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-7.pdf (rules) and http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-13.pdf (policy statement) and the May and July 2007 *Record* issues.

Best Practices: Filing

- ✓ Ensure your staff and vendors understand filing rules and deadlines
- ✓ E-filers: Update your software regularly
- ✓ Have a current email address on Form 1
- ✓ Notify the FEC of address, email and treasurer changes by filing an amended Form 1
- ✓ Provide timely and adequate responses to Requests for Additional Information (RFAIs)

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D. Best Practices for Filing Reports:

- Ensure your staff and vendors understand filing rules and deadlines.
- E-filers: Update your software regularly.
- Have a current e-mail address on Form 1 (Statement of Organization) to electronically receive Requests for Additional Information (RFAIs) and courtesy reminders about reports due. Up to two email addresses can now be provided on a Form 1 for receiving FEC communications.
- Notify the Commission of address, email and treasurer changes by filing an amended Form 1.
- Provide timely and adequate responses to RFAIs.

Responding to RFAIs

- RFAIs are sent when internal Commission thresholds are met in review of reports.
- Committees should reply by the deadline in the RFAI (extensions not granted).
- Providing a timely and adequate response is important to avoid possible enforcement action. Please contact analyst for assistance!

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E. Responding to RFAIs:

- Reports Analysis Division (RAD) reviews reports based on a policy that is approved by the Commission on a two-year election cycle basis. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.
- Internal policy contains categories of review the analyst checks, such as Prohibited, Excessive and Impermissible Contributions, Mathematical Discrepancies, Failure to Provide Supporting Schedules, and Failure to Properly Itemize Contributions from Individuals and Disbursements.
- Policy has established confidential thresholds for making determinations on whether to send an RFAI.
- If internal thresholds are met, an RFAI is sent, with a Response Due Date in the upper right hand corner of the letter. Extensions are not granted. The committee analyst's name and contact telephone number are also provided in the letter.
  Tip: You can find out the name of your analyst is by visiting: *http://www.fec.gov/rad/index.shtml*.
- Internal policy includes thresholds for determining whether a matter should be referred to the Commission's Office of General Counsel or Alternative Dispute Resolution Office if an adequate response is not received within the given timeframe.

Request for Additional Info

RQ-2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 21, 2011

Laverne De Fazio, Treasurer
123 Schlemiel Street North
Milwaukee, WI 00123

Response Due Date:
November 21, 2011

Response
Due Date

Identification Number: C00000000

Reference: July Monthly Report (6/1/11-6/30/11) and September Monthly Report (8/1/11-8/31/11)

Dear Ms. De Fazio:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of $200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the *full* name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

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Request for Additional Info

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended.

If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1166.

Analyst Phone Number

Sincerely,

Bradley Matheson
Senior Campaign Finance Analyst
Reports Analysis Division

418

Analyst 's Name

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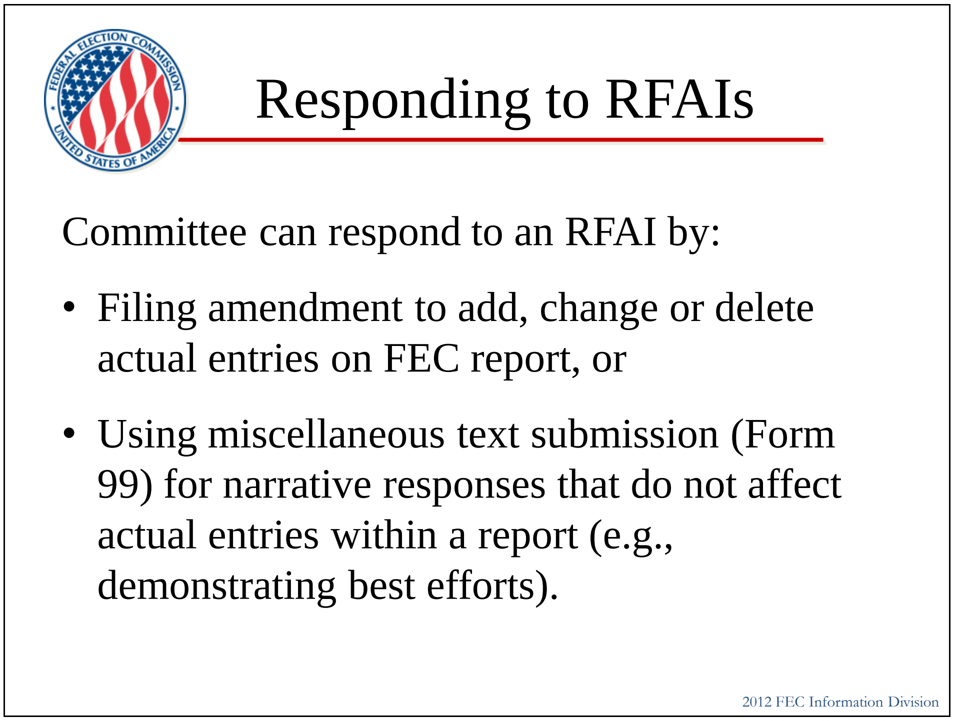

F. Best Way to Respond to RFAIs

The best way to respond depends upon type of information that needs to be provided.

- File an **amendment to a report** when changing information that affects entries on a report. This would include additions, changes or deletions.
- File a **Miscellaneous Text Submission (Form 99)** for narrative responses that do not affect actual entries within a report. (For example, when outlining procedures for "Best Efforts" in obtaining contributor information.)

II. End-of-Cycle Reporting Requirements

End-of-Cycle Reporting Requirements

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A. The Post-Election Detailed Summary Page must be filed with:

1. **30-Day Post-General Report** (covering October 18 through November 26) for committees of federal candidates who participated in the 2012 General Election, or
2. **Year End Report** (covering October 1 through December 31) for committees of federal candidates who did not participate in the 2012 General Election.

B. Purpose of Post-Election Detailed Summary Page

The Post-Election Detailed Summary Page splits election cycles apart, and is needed for those reports that cover two election cycles, because the law requires reporting by authorized committees to be done on an election-cycle to date basis. *(Note: "Election cycle" for the purpose of election cycle to date reporting is defined as the day after the last general election through the day of the general election. See http://www.fec.gov/law/cfr/ej_compilation/2000/2000-15_Election_Cycle_Reporting.pdf for more information.)*

Post-Election Detailed Summary Page

- Splits election cycles apart
- Has three columns (A, B, and C)
  - **A** = activity for this reporting period
  - **B** = activity from the beginning of the election cycle through the election day (this election cycle)
  - **C** = activity from the day after the election to the end of the reporting period (next election cycle)
- Calculating Column B can be tricky
  - $\mathbf{B}_{\text{(prior report)}} + \mathbf{A}_{\text{(this report)}} - \mathbf{C}_{\text{(this report)}} = \mathbf{B}_{\text{(this report)}}$

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C. The Post-Election Detailed Summary Page has three columns:

- A = activity from this reporting period.
- B = activity from the beginning of the election cycle through Election Day (this election cycle).
- C = activity from the day after the election to the end of the reporting period (next election cycle).
- Calculating Column B:
  B = Column B from previous report + A – C

Reporting Example Next Page

POST-ELECTION DETAILED SUMMARY PAGE
Report of Receipts and Disbursements

FEC **Form 3** (Revised 07/05) Page **5**

• If the candidate participated in the general election, use this form for the 30-day Post-General report.

• If the candidate did NOT participate in the general election, use this form for the Year-end report covering through December 31 of the election year (due on January 31).

This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.

Write or Type Committee Name

Report Covering the Period: From: 10 / 18 / 2012 To: 11 / 26 / 2012

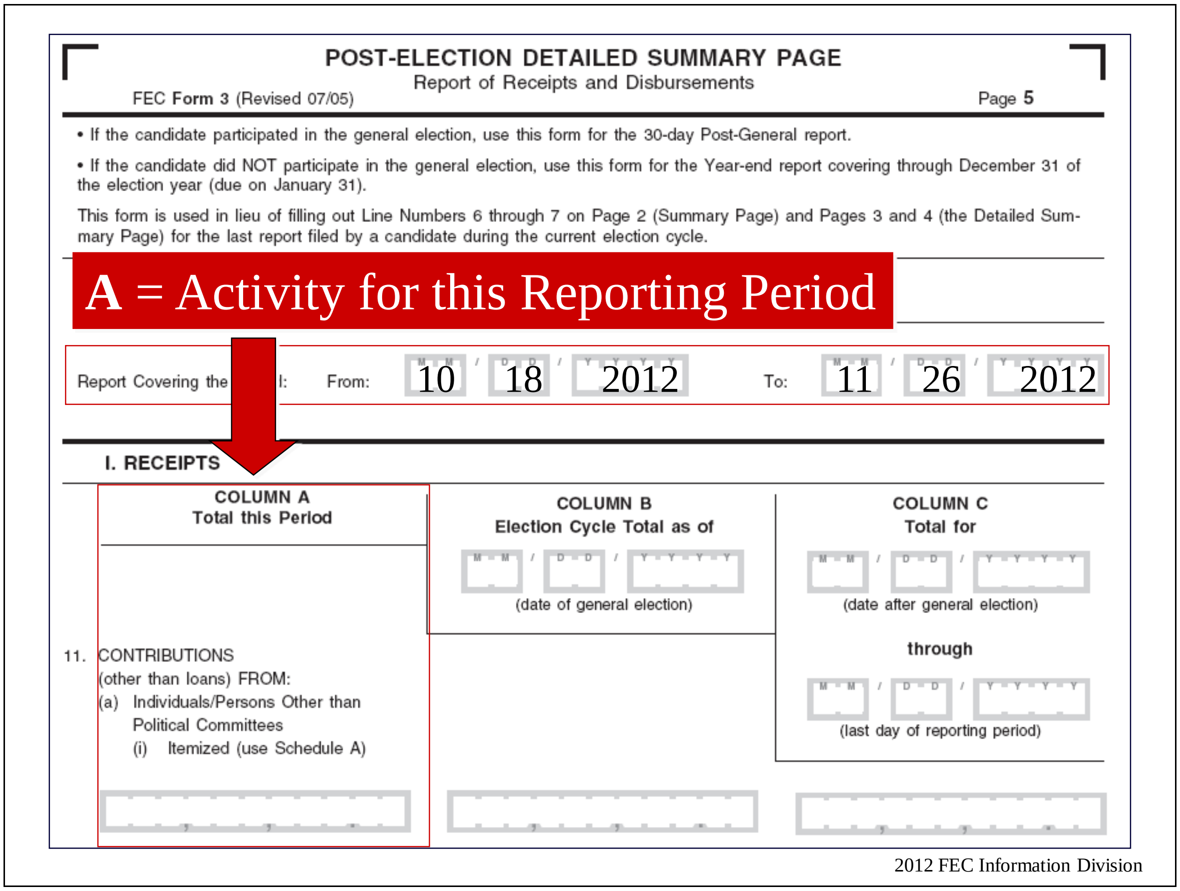
I. RECEIPTS

COLUMN A Total this Period	**COLUMN B** Election Cycle Total as of M M / D D / Y Y Y Y (date of general election)	**COLUMN C** Total for M M / D D / Y Y Y Y (date after general election) **through** M M / D D / Y Y Y Y (last day of reporting period)

11. CONTRIBUTIONS (other than loans) FROM:
    (a) Individuals/Persons Other than Political Committees
        (i) Itemized (use Schedule A)

2012 FEC Information Division

Reporting Example Continues on Next Page



POST-ELECTION DETAILED SUMMARY PAGE
Report of Receipts and Disbursements

FEC Form 3 (Revised 07/05)

Page 5

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This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.

A = Activity for this Reporting Period

Report Covering the Period: From: 10 / 18 / 2012 To: 11 / 26 / 2012

I. RECEIPTS

COLUMN A
Total this Period

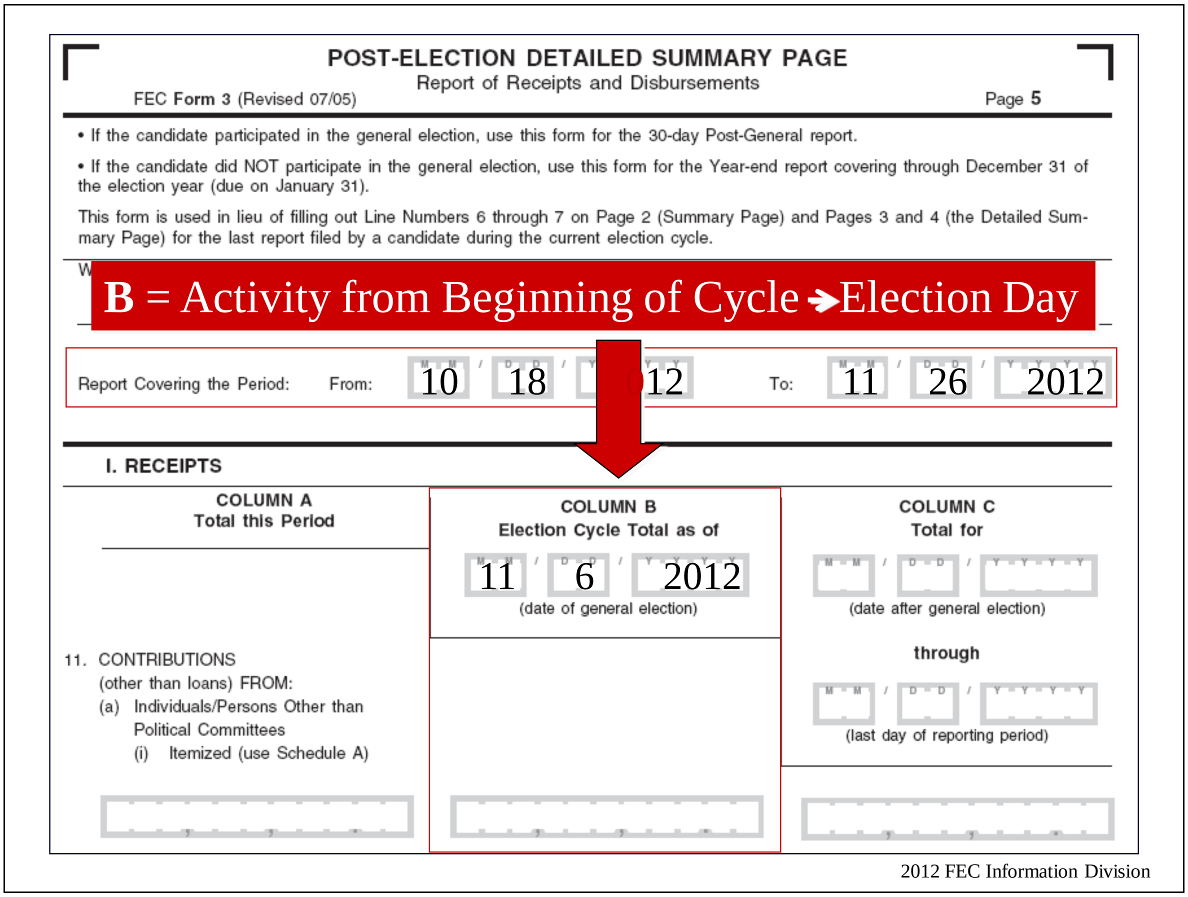
COLUMN B
Election Cycle Total as of
M M / D D / Y Y Y Y
(date of general election)

COLUMN C
Total for
M M / D D / Y Y Y Y
(date after general election)
through
M M / D D / Y Y Y Y
(last day of reporting period)

11. CONTRIBUTIONS
(other than loans) FROM:
(a) Individuals/Persons Other than
Political Committees
(i) Itemized (use Schedule A)

2012 FEC Information Division

Reporting Example Continues on Next Page



POST-ELECTION DETAILED SUMMARY PAGE

Report of Receipts and Disbursements

FEC Form 3 (Revised 07/05) Page 5

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This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.

B = Activity from Beginning of Cycle → Election Day

Report Covering the Period: From: 10 / 18 / 2012 To: 11 / 26 / 2012

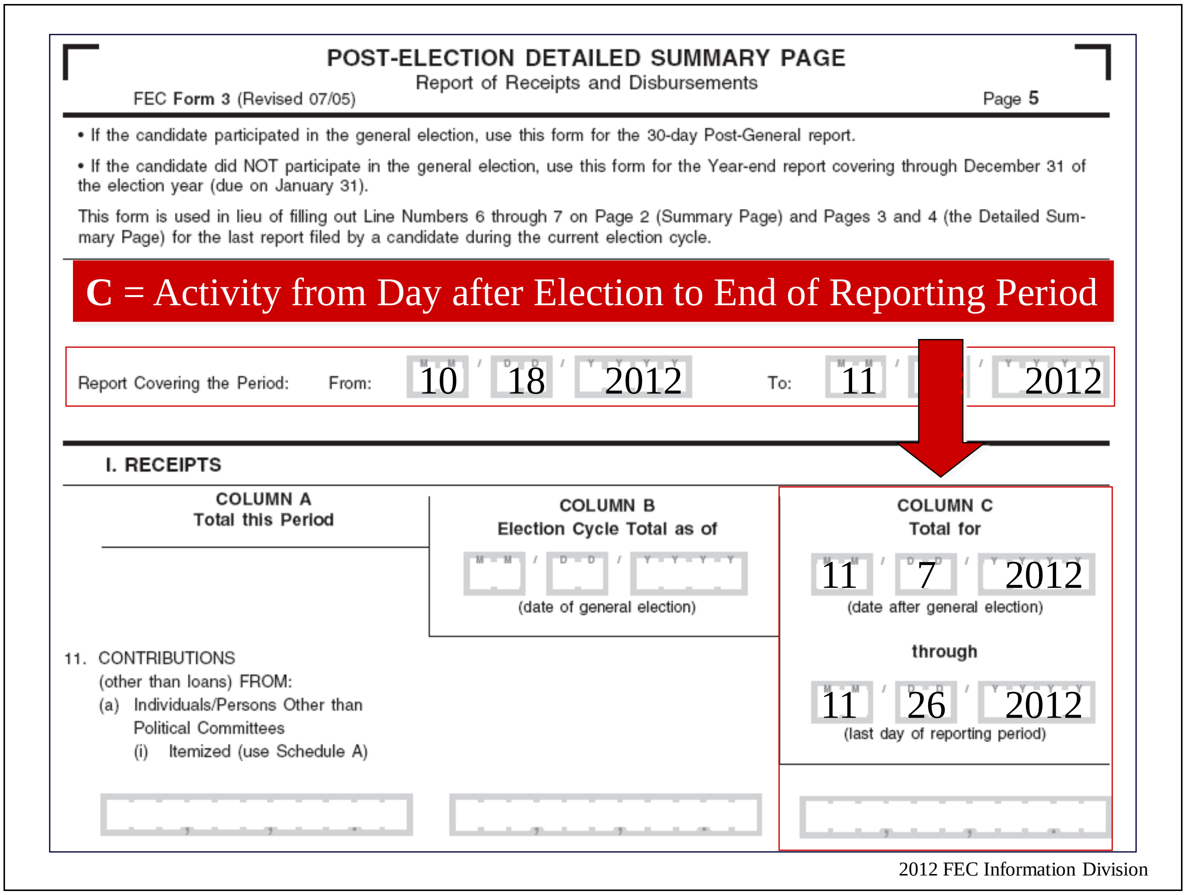
I. RECEIPTS

COLUMN A Total this Period	COLUMN B Election Cycle Total as of 11 / 6 / 2012 (date of general election)	COLUMN C Total for (date after general election) through (last day of reporting period)

11. CONTRIBUTIONS (other than loans) FROM:
(a) Individuals/Persons Other than Political Committees
(i) Itemized (use Schedule A)

2012 FEC Information Division

Reporting Example Continues on Next Page



POST-ELECTION DETAILED SUMMARY PAGE
Report of Receipts and Disbursements

FEC Form 3 (Revised 07/05) — Page 5

• If the candidate participated in the general election, use this form for the 30-day Post-General report.

• If the candidate did NOT participate in the general election, use this form for the Year-end report covering through December 31 of the election year (due on January 31).

This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.

C = Activity from Day after Election to End of Reporting Period

Report Covering the Period: From: 10 / 18 / 2012 To: 11 / / 2012

I. RECEIPTS

COLUMN A Total this Period	COLUMN B Election Cycle Total as of __/__/____ (date of general election)	COLUMN C Total for 11 / 7 / 2012 (date after general election) through 11 / 26 / 2012 (last day of reporting period)

11. CONTRIBUTIONS (other than loans) FROM:
(a) Individuals/Persons Other than Political Committees
(i) Itemized (use Schedule A)

2012 FEC Information Division

Reporting Example Continues on Next Page

POST-ELECTION DETAILED SUMMARY PAGE
Report of Receipts and Disbursements

FEC **Form 3** (Revised 07/05) Page **5**

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This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.

Write or Type Committee Name

Calculating Column B:
Column B = Total Column B on 12G + Column A – Column C

I. RECEIPTS

	COLUMN A Total this Period	COLUMN B Election Cycle Total as of 11 / 6 / 2012 (date of general election)	COLUMN C Total for 11 / 7 / 2012 (date after general election) through 11 / 26 / 2012 (last day of reporting period)
11. CONTRIBUTIONS (other than loans) FROM: (a) Individuals/Persons Other than Political Committees (i) Itemized (use Schedule A)	15,000.00		5,000.00

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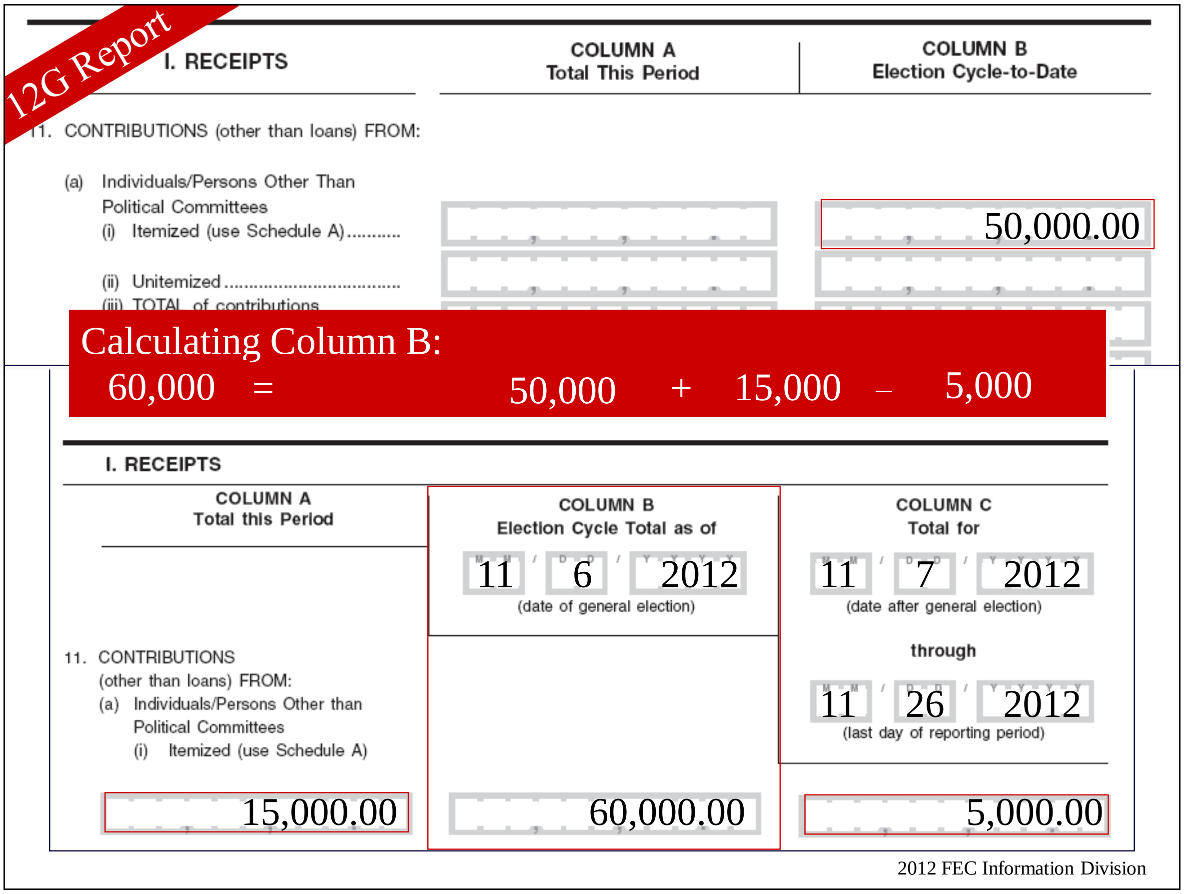
Reporting Example Continues on Next Page


12G Report
I. RECEIPTS
COLUMN A
Total This Period
COLUMN B
Election Cycle-to-Date
11. CONTRIBUTIONS (other than loans) FROM:
(a) Individuals/Persons Other Than Political Committees
(i) Itemized (use Schedule A)
50,000.00
(ii) Unitemized
(iii) TOTAL of contributions
Calculating Column B:
60,000 = 50,000 + 15,000 – 5,000
I. RECEIPTS
COLUMN A
Total this Period
COLUMN B
Election Cycle Total as of
11 / 6 / 2012
(date of general election)
COLUMN C
Total for
11 / 7 / 2012
(date after general election)
through
11 / 26 / 2012
(last day of reporting period)
11. CONTRIBUTIONS (other than loans) FROM:
(a) Individuals/Persons Other than Political Committees
(i) Itemized (use Schedule A)
15,000.00
60,000.00
5,000.00
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Post-Election Detailed Summary Page

Common Issues

- Check your math
- Use the correct election date
- Use the PEDSP on the correct report (30G or YE)

Common Issues for FECFilers

- Put the new election cycle into your software
- Use same e-file for new cycle that you did for 2012

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D. Post-Election Detailed Summary Page: Common Problems

1. Be sure to check your math.
2. Use the correct election date.
3. Use the Post-Election Detailed Summary Page on the correct report (30G or Year-End).
4. For FECFilers: Put the new election cycle into your software (11/7/12 – 11/4/14). Use the same e-file for new cycle that you did for 2012.

Post-Election Contributions

You cannot raise money for 2012 campaign after the general election, unless:

- You received a general election contribution postmarked on or before election day, or
- You have net debts outstanding for the 2012 primary and/or general elections.

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E. Post-Election Contributions:

After the general election, campaigns cannot raise money for the 2012 campaign, unless:

1. General election contributions were postmarked on or before Election Day (November 6); and
2. You have net debts outstanding for the 2012 primary and/or general election.

Objectives

- Review reporting schedule, highlighting end-of-cycle reporting requirements
- Explain how to handle loans and debts
- Describe requirements for ongoing and terminating committees

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III. Handling Loans and Debts

Loans and Debts

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Loans

- Payments on the Principal – Line 19(a), 19(b), Schedule C
- Interest Payments – Line 17
- Candidate Loan Forgiveness
  - Written, signed letter from candidate
  - Schedules B and C do not show payments
  - Make sure loan ending balance is correct

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A. Candidate Loan Forgiveness:

1. **Report candidate forgiveness of the loan:** Show reporting on Schedule C for Line 13(a). The "Balance Outstanding at Close of This Period" should be $0. (Do not include the forgiven loan balance into the total of "Cumulative Payment To Date," since the money was not actually repaid.)
2. **For electronic filers:** Please include Memo Text with your report stating that the candidate forgave the loan.
3. **For all filers:** When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven. (Please note that this requirement applies to paper and electronic filers alike. Memo text at the end of an electronically filed report stating that the candidate forgave the loan will not be accepted in lieu of the letter.)

Candidate Loans > $250K

- Special rules for personal funds loans aggregating > $250,000 for an election:
- The committee may use contributions made on/before election date to repay loan(s) amount; must do so within 20 days of the election (11/26/12).
- The committee may use contributions made after the election date to repay only up to $250,000; the rest must be converted to a contribution from the candidate by the 21st day after the election (11/27/12).

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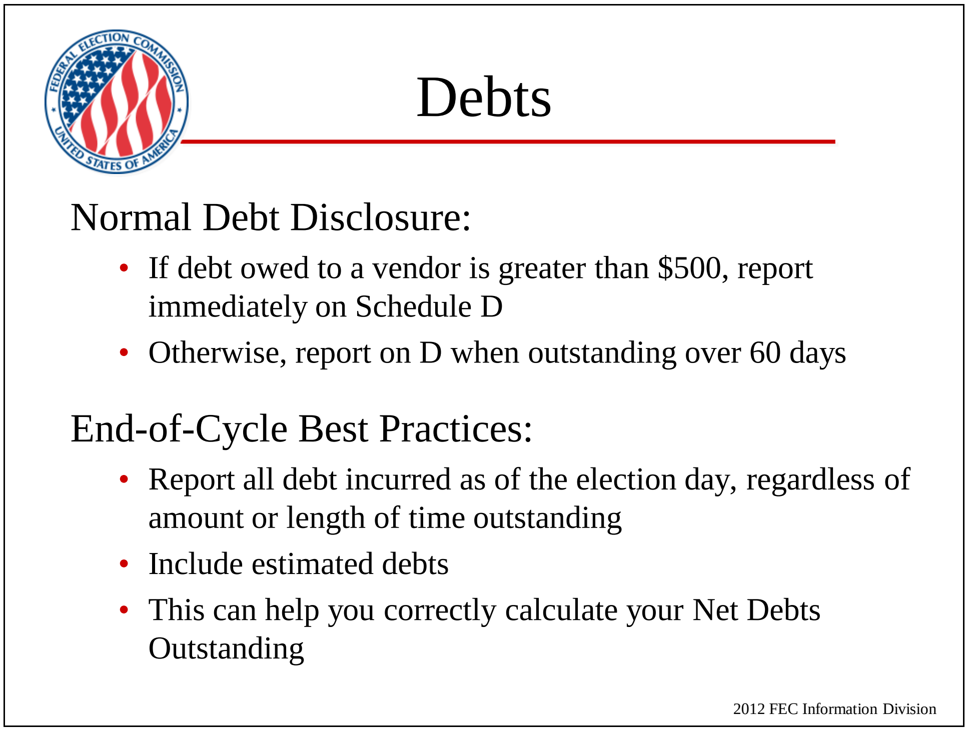
4. Repaying Candidate Loans Aggregating Over $250,000 after an Election:

There are special rules concerning the repayment of personal loans from the candidate (including advances or candidate endorsed bank loans) that aggregate more than $250,000 with respect to a given election. The following rules apply:

- The committee may use contributions to repay the candidate for the entire amount of the loan or loans only if those contributions were made on or before the day of the applicable election; and
- The committee may use contributions to repay the candidate only up to $250,000 from contributions made after the date of the applicable election.
- If the committee uses the amount of cash-on-hand as of the date of the election to repay the candidate for loans in excess of $250,000, then it must do so within 20 days of the election. During that time, the committee must treat the portion of candidate loans that exceed $250,000, minus the amount of cash-on-hand as of the day after the election as a contribution by the candidate (11 CFR 116.11(c), FEC Advisory Opinion 2003-30).



B. Disclosing Debts:

Debt greater than $500 is reported immediately on Schedule D. Otherwise, debts are reported once they have been outstanding for more than 60 days.

Debts

What if you don't have enough money to cover your outstanding obligations?

- Selling Assets
- Transferring Money from Other Authorized Committees
- Raising Money to Retire Debts
- Unenforceable/Disputed Debts
- Settling Debts

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Debts: Selling Assets

You can sell assets to pay off debts

- Generally, this will be considered a contribution from the purchaser for the election for which the debt is incurred
- Limited exceptions: selling mailing lists and some campaign equipment
- See Advisory Opinions for further exceptions

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C. Retiring Debts Through Sale of Assets:

As a general rule, when a campaign committee sells its property, the purchase is considered a contribution to the campaign by the purchaser. There are a few exceptions when the sale of committee property does not amount to a contribution from the purchaser:

1. Mailing lists developed by a campaign for its own use may be sold at the “usual and normal” charge without resulting in a contribution. AOs 2002-14, 1982-41 and 1981-53.
2. The sale of campaign equipment and supplies, under certain circumstances, does not result in a contribution. AOs 2003-19 and 1981-53.

Debts: Receiving Transfers

Your committee can receive money to pay off debts from another authorized committee of the same candidate, as long as transferring committee:

- Was active in a different election cycle
- Does not have outstanding debts or obligations
- Recipient committee may be required to itemize contributions making up the transfer as memos

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D. Retiring Debts Through Transfers:

A campaign may receive funds to retire debts through transfers of excess funds from the same candidate’s federal campaign from a different election cycle, as long as the transferor committee has no outstanding debts. The recipient committee may be required to itemize contributions making up the transfer as memo entries if the transferring committee received contributions applicable to the current election cycle. 11 CFR 110.3 (c)(4) and (5).

Retiring Debts

In limited circumstances, campaigns may solicit contributions to help retire debt; however:

- Contributions must be designated
- Contributions count against donor's limit for the election for which the debt was incurred
- You must have Net Debts Outstanding for the election
- Amount raised cannot exceed Net Debts Outstanding calculation

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E. Retiring Debts Through Contributions:

If a campaign committee has net debts outstanding after an election is over, the committee may, under limited circumstances, accept contributions after the election to retire those debts.

- Such contributions:
  - Must be designated for that election.
  - Cannot exceed the contributor's limit for the designated election.
- The campaign must have net debts outstanding on the day it receives the contribution.
- Contributions to retire debt are still subject to the limitations and prohibitions of the Act. Contributions cannot exceed net debts outstanding.

Net Debts Outstanding

- Calculation helps compare what you raised and spent in a particular election to the debts outstanding for that election
- To do this, you need your committee's:
  - Total receipts for a particular election
  - Total disbursements for that election
  - Outstanding obligations owed for that election
  - Estimated cost of winding down

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Net Debts Outstanding

Calculation:

1) Receipts – Disbursements = Cash on Hand
2) Debts – Cash on Hand = Net Debts Outstanding
3) Net debts outstanding is the amount committee can raise to retire debt; adjusted continuously
4) Terminating committees may add cost of winding down

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Net Debts Example

After the general election, Scott for Congress has a $50,000 outstanding debt from a last-minute media buy. They raised $400,000 in general election contributions and spent $375,000 on the general election campaign.

Can they raise additional contributions to retire their outstanding debt from the media buy?

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Net Debts Example

Calculation:

1) Receipts – Disbursements = Cash on Hand
   ($400,000 – $375,000 = $25,000)
2) Debts – Cash on Hand = Net Debts Outstanding
   ($50,000 – $25,000 = $25,000)
3) Net debts outstanding is the amount committee can raise to retire debt; adjusted continuously. Scott for Congress can raise $25,000 in general contributions to retire debt
4) Terminating committees may add cost of winding down

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Net Debts Example

Committee must recalculate its net debts outstanding as it receives additional contributions and spends funds on the election for which the debt remains

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Disputed/Unenforceable Debts

Before you stop reporting disputed or unenforceable debts, including debts for which the statute of limitations has expired:

- List the debts on Schedule D of your next report, showing an outstanding balance of zero; and
- Explain the circumstances in memo text

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Unenforceable Debts

Use Memo Text for "Charged Off" Debt:

SCHEDULE D (FEC Form 3)
DEBTS AND OBLIGATIONS
Excluding Loans

(Use separate schedule(s) for each numbered line)

PAGE OF

FOR LINE NUMBER: (check only one) 9 / X 10

NAME OF COMMITTEE (In Full): **Michael Scott for Congress**

A. Full Name (Last, First, Middle Initial) of Debtor or Creditor: **Winning Campaign Consulting**

Mailing Address: **123 Election Lane**

City State Zip Code: **Washington, DC 20001**

Nature of Debt (Purpose): **Campaign management consulting**

3-year DC statute of limitations for collecting of debt has run; unenforceable – charged off

Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
$2,500.00	$0.00	$2,500.00	$0.00

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F. Disputed/Unenforceable Debts:

Before discontinuing reporting disputed and unenforceable debts, including debts the statute of limitation for which has expired:

1. List the debts on Schedule D of your next report showing an outstanding balance of zero; and
2. Explain the circumstances in a memo entry or memo text as per Advisory Opinions 1999-38 & 2000-32 and 11 CFR 104.3(d) and 104.11(a).

Tip: For electronic filers: If your e-filing software automatically creates a Schedule B entry for balance adjustments on Schedule D, you may need to contact your software provider to discuss a work-around, such as creating an offsetting entry on Schedule A to avoid deflating cash on hand and explaining the transactions using memo text.

Settling Debts

- Terminating committees can settle debts for less than full amount owed
- Authorized committee may not settle any debts if another authorized committee has cash on hand and no net debts outstanding

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Settling Debts

Types of debt subject to settlement:

- Debts owed to commercial vendors
- Debts arising from advances by committee staff and other individuals
- Salary owed to committee employees
- Debts arising from loans from political committees or individuals, including candidates

Disputed debts are <u>not</u> subject to settlement.

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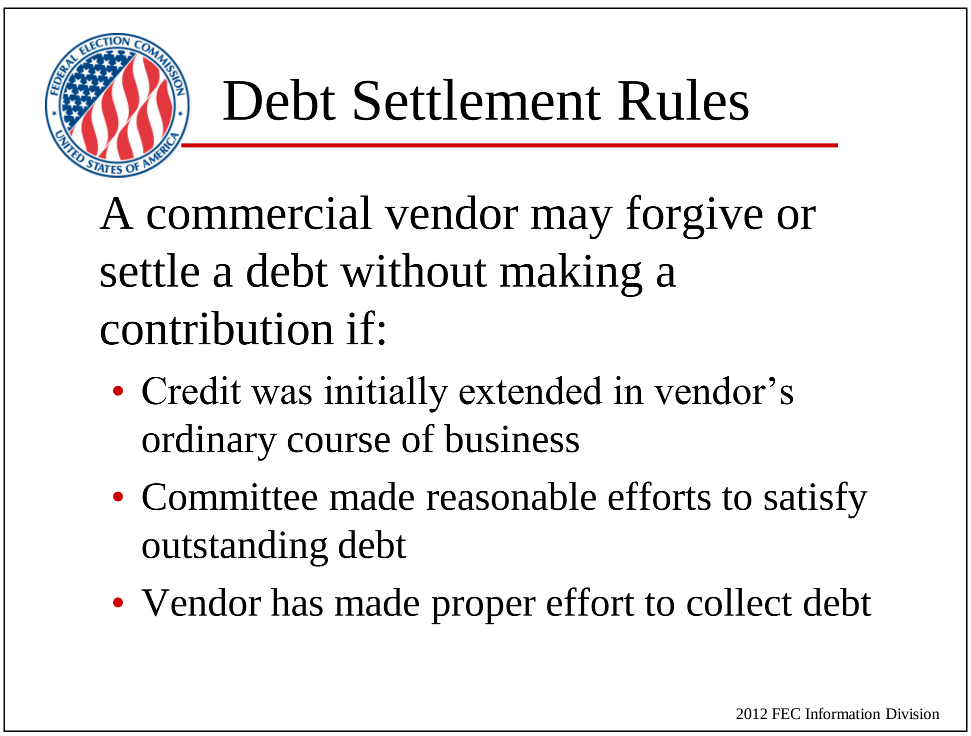
G. Settling Debts:

Terminating committees can settle debts for less than the full amount owed.

1. An authorized committee may not settle any debts if the candidate has another authorized committee that has cash on hand (unless that committee has net debts outstanding greater than or equal to its cash on hand balance).
2. A Debt Settlement Plan (FEC Form 8) must be filed for Commission review prior to the filing of, or together with, the termination report, *after* the creditors have agreed to the settlement.
    - **a) Types of debt subject to settlement:**
        - i. Debts owed to commercial vendors.
        - ii. Debts arising from advances by committee staff and other individuals.
        - iii. Salary owed to committee employees.
        - iv. Debts arising from loans from political committees or individuals, including candidates.
        - v. Disputed debts are <u>not</u> subject to settlement.



- **b) A commercial vendor may forgive or settle a debt without making a contribution if:**
    - i. Credit was initially extended in vendor’s ordinary course of business.

ii. Committee made reasonable efforts to satisfy outstanding debt.

iii. Vendor has made proper effort to collect debt.

Debt Settlement Plans

- After debt settlement is finalized, terminating committees must file FEC Form 8.
- Payments to creditors must be disclosed in the committee's termination report.
- Debts being settled must continuously be reported until debt settlement plan has been approved.
- Do not include loans/debts owed to candidate; file forgiveness letter instead.

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DEBT SETTLEMENT PLAN

NAME OF COMMITTEE	
ADDRESS	
CITY, STATE AND ZIP CODE	FEC I.D. NUMBER

PART I — COMMITTEE SUMMARY INFORMATION

1. CASH ON HAND AS OF _______________		6. TOTAL AMOUNT OF DEBTS OWED BY THE COMMITTEE	
2. TOTAL ASSETS TO BE LIQUIDATED		7. TOTAL NUMBER OF CREDITORS OWED	
3. TOTAL (ADD 1 AND 2)		8. NUMBER OF CREDITORS IN PART II OF THIS PLAN	
4. YEAR TO DATE RECEIPTS		9. TOTAL AMOUNT OF DEBTS OWED TO THE CREDITORS IN PART II OF THIS PLAN	
5. YEAR TO DATE DISBURSEMENTS		10. TOTAL AMOUNT TO BE PAID TO CREDITORS IN PART II OF THIS PLAN	

11. IS THE COMMITTEE TERMINATING ITS ACTIVITIES?

☐ YES ☐ NO IF YES, WHEN DOES THE COMMITTEE EXPECT TO FILE A TERMINATION REPORT? IF NO, COMMITTEE IS NOT ELIGIBLE TO FILE A DEBT SETTLEMENT PLAN (SEE INSTRUCTIONS).

12. IF THIS IS AN AUTHORIZED COMMITTEE, DOES THE CANDIDATE HAVE OTHER AUTHORIZED COMMITTEES?

☐ YES ☐ NO IF YES, LIST BELOW.

13. DOES THE COMMITTEE HAVE SUFFICIENT FUNDS TO PAY THE TOTAL AMOUNT INDICATED IN THIS PLAN?

☐ YES ☐ NO IF NO, WHAT STEPS WILL BE TAKEN TO OBTAIN THE FUNDS?

14. HAS THE COMMITTEE FILED PREVIOUS DEBT SETTLEMENT PLANS?

☐ YES ☐ NO

15. AFTER DISPOSING OF ALL THE COMMITTEE'S DEBTS AND OBLIGATIONS, WILL THERE BE ANY RESIDUAL FUNDS?

☐ YES ☐ NO IF YES, HOW WILL THE FUNDS BE DISBURSED?

I certify, to the best of my knowledge, that the information contained in this Debt Settlement Plan is true, correct and complete.

SIGNATURE OF TREASURER OF COMMITTEE ➢ DATE

FEC FORM 8
(Revised 1/2001)

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DEBT SETTLEMENT PLAN

PART II

NAME OF COMMITTEE	FEC I.D. NUMBER	PAGE	OF

CREDITOR SUMMARY INFORMATION
(FILL OUT FOR EACH CREDITOR IN PLAN)

FULL NAME AND MAILING ADDRESS OF CREDITOR	DATE INCURRED	AMOUNT OWED TO CREDITOR	AMOUNT OFFERED IN SETTLEMENT

TYPE OF CREDITOR:

☐ INCORPORATED COMMERCIAL VENDOR ☐ UNINCORPORATED COMMERCIAL VENDOR ☐ CANDIDATE ☐ COMMITTEE EMPLOYEE ☐ OTHER INDIVIDUAL

A. TERMS OF THE INITIAL EXTENSION OF CREDIT AND NATURE OF THE DEBT

B. EFFORTS MADE BY THE COMMITTEE TO PAY THE DEBT

C. STEPS TAKEN BY THE CREDITOR TO COLLECT THE DEBT

CREDITOR SECTION
(TO BE FILLED OUT BY CREDITOR)

D. WAS THE EFFORT MADE BY THE CREDITOR TO COLLECT THE DEBT SIMILAR TO OTHER DEBT COLLECTION EFFORTS AGAINST NONPOLITICAL DEBTORS?

☐ YES ☐ NO IF NO, PLEASE EXPLAIN

E. ARE THE TERMS OF THE DEBT SETTLEMENT COMPARABLE TO OTHER SETTLEMENTS MADE BY THE CREDITOR WITH OTHER NONPOLITICAL DEBTORS?

☐ YES ☐ NO IF NO, PLEASE EXPLAIN

As a representative of the creditor, I hereby accept the settlement offer made to me by the committee and upon payment agree to consider the debt satisfied (or attach a copy of the signed settlement).

SIGNATURE OF CREDITOR OR REPRESENTATIVE ➢ DATE

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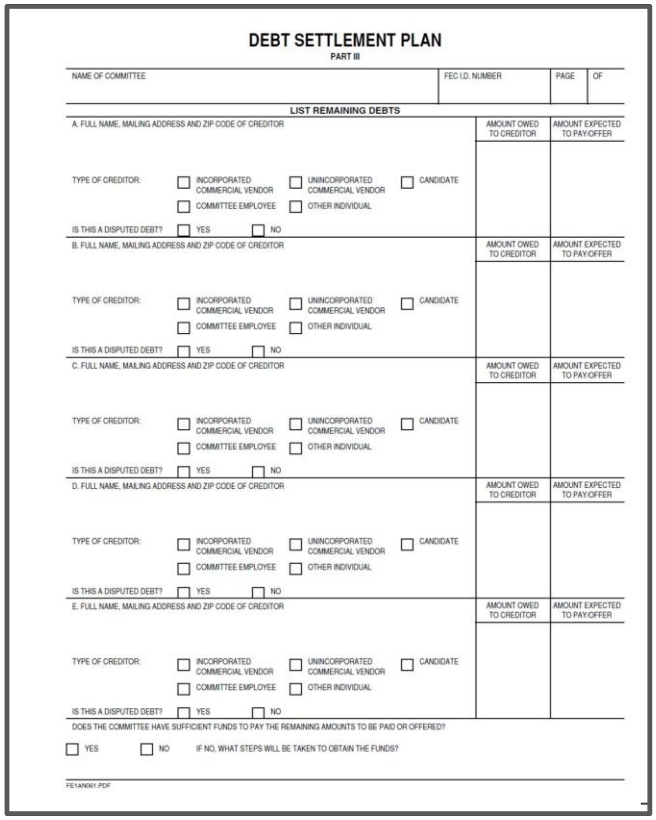

DEBT SETTLEMENT PLAN
PART III

NAME OF COMMITTEE | FEC I.D. NUMBER | PAGE | OF

LIST REMAINING DEBTS

A. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAY/OFFER
TYPE OF CREDITOR: INCORPORATED COMMERCIAL VENDOR | UNINCORPORATED COMMERCIAL VENDOR | CANDIDATE | COMMITTEE EMPLOYEE | OTHER INDIVIDUAL
IS THIS A DISPUTED DEBT? YES | NO

B. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAY/OFFER
TYPE OF CREDITOR: INCORPORATED COMMERCIAL VENDOR | UNINCORPORATED COMMERCIAL VENDOR | CANDIDATE | COMMITTEE EMPLOYEE | OTHER INDIVIDUAL
IS THIS A DISPUTED DEBT? YES | NO

C. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAY/OFFER
TYPE OF CREDITOR: INCORPORATED COMMERCIAL VENDOR | UNINCORPORATED COMMERCIAL VENDOR | CANDIDATE | COMMITTEE EMPLOYEE | OTHER INDIVIDUAL
IS THIS A DISPUTED DEBT? YES | NO

D. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAY/OFFER
TYPE OF CREDITOR: INCORPORATED COMMERCIAL VENDOR | UNINCORPORATED COMMERCIAL VENDOR | CANDIDATE | COMMITTEE EMPLOYEE | OTHER INDIVIDUAL
IS THIS A DISPUTED DEBT? YES | NO

E. FULL NAME, MAILING ADDRESS AND ZIP CODE OF CREDITOR | AMOUNT OWED TO CREDITOR | AMOUNT EXPECTED TO PAY/OFFER
TYPE OF CREDITOR: INCORPORATED COMMERCIAL VENDOR | UNINCORPORATED COMMERCIAL VENDOR | CANDIDATE | COMMITTEE EMPLOYEE | OTHER INDIVIDUAL
IS THIS A DISPUTED DEBT? YES | NO

DOES THE COMMITTEE HAVE SUFFICIENT FUNDS TO PAY THE REMAINING AMOUNTS TO BE PAID OR OFFERED?
YES | NO | IF NO, WHAT STEPS WILL BE TAKEN TO OBTAIN THE FUNDS?

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c) Submitting a Debt Settlement Plan (FEC Form 8)

i. After debt settlement is finalized, terminating committees must file a Debt Settlement Plan (FEC Form 8).
ii. On Form 8, disclose debts being settled in Part II; list any other debts in Part III.
iii. Creditor must sign the creditor section of Part II of Form 8.
iv. Payments to creditors must be disclosed in the committee's termination report.
v. Debts being settled must continuously be reported until the Debt Settlement Plan has been approved.
vi. Do not include debts or loans owed to candidates on Form 8. File letter of forgiveness instead. (See Section III.A, page 24 of this outline.)

d) After You Submit a Debt Settlement Plan (FEC Form 8):

i. You may receive a letter from the Commission asking for additional information about your Debt Settlement Plan.

ii. You will receive a written notification of the Commission's approval of your Debt Settlement Plan.

iii. Please continue filing all required reports according to your committee's filing schedule until your Debt Settlement Plan <u>and</u> termination report are approved.

FEC Form 8 Filing Tips

- Check your math to ensure that Part I, Committee Summary Information, is correct
  - Cash on hand, total debts owed by the committee, number of creditors, etc.
- Check for any discrepancies between your last report and Form 8
- Contact Chris Ritchie, Compliance Branch, Reports Analysis Division for assistance

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e) Debt Settlement Plan (FEC Form 8) Tips:

- Check your math to ensure that Part I, Committee Summary Information, is correct (cash on hand, total of debts owed by the committee, number of creditors, etc.).
- Check for any discrepancies between your last filed report and Form 8.
- *Need help? Contact Chris Ritchie, Compliance Branch, Reports Analysis Division: (202) 694-1130 or 1-(800) 424-9530 (press 5). Also see http://www.fec.gov/pdf/forms/fecfrm8i.pdf.*

Objectives

- Review reporting schedule, highlighting end-of-cycle reporting requirements
- Explain how to handle loans and debts
- Describe requirements for ongoing and terminating committees

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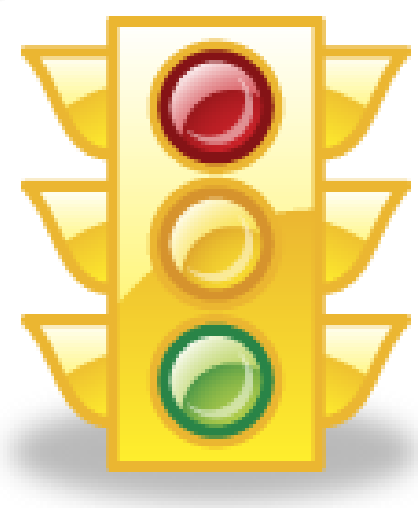
IV. Committee Decisions

Post-Election Decision Time



Terminate

Undecided

Run Again

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Keeping the Committee Open

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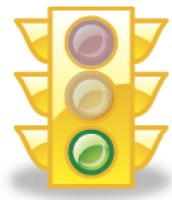
A. Ongoing Committee Operations

1. **Candidates Must Continue to File Reports:** The campaign committee's reporting requirements end only when the Commission notifies the committee in writing that the committee has been terminated.

Running Again

- Candidate may use existing campaign committee in next election by designating it on new Statement of Candidacy (Form 2)



OR

- Candidate may establish new committee for each election cycle by filing new Statements of Candidacy and Organization (Forms 1 & 2).

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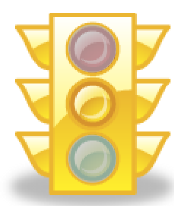
Still Deciding?



- Required to file continuously
- Required to file on time
- Generally, must file new Statement of Candidacy (Form 2) if you raise/spend more than $5,000 in connection with election

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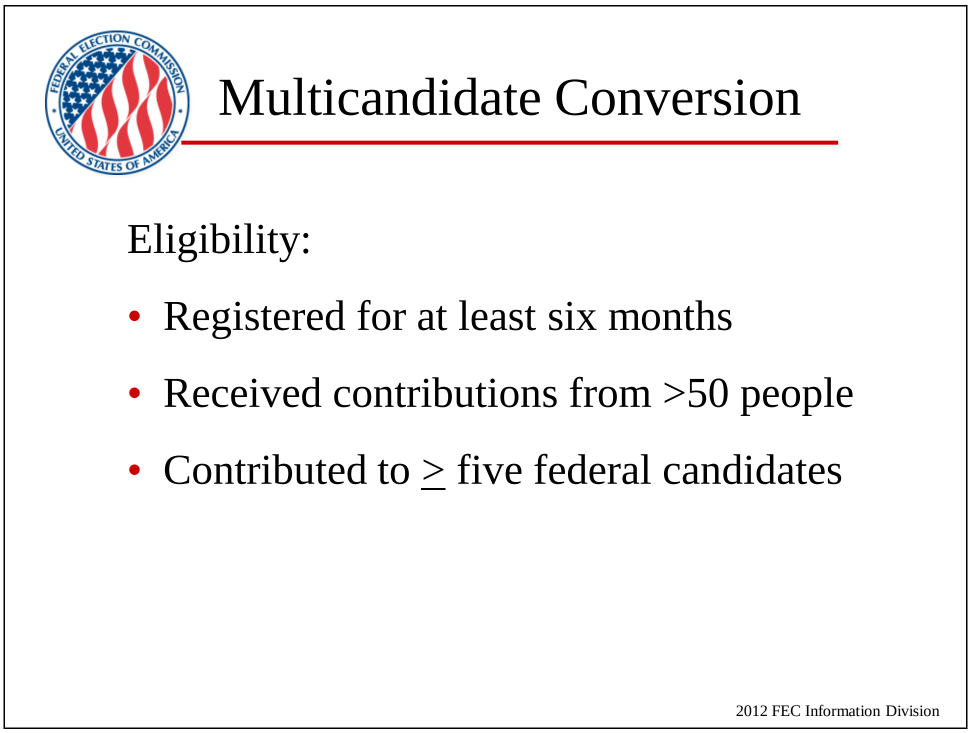
2. **Candidates Must Register for Each Election Cycle:**
For the next election cycle, candidates and officeholders must file a new FEC Form 2 (the Statement of Organization). On the FEC Form 2, the candidate may:
   a) Redesignate the previous campaign committee (if it has not been terminated). Amend FEC Form 1 (the Statement of Organization) to reflect any changes in basic information. The committee will keep its original FEC ID number.
   b) Designate a new principal campaign committee. File a new FEC Form 1. The committee will receive a new FEC ID number.



B. **Converting Campaign to Multicandidate PAC**

1. **Mulitcandidate PAC:** As an alternative to termination, the Commission has permitted a candidate's principal campaign committee to become a multicandidate committee, provided it meets the three criteria for multicandidate status:
   a) Registered for at least six months;
   b) Received contributions from more than 50 people;
   c) Contributed to at least five federal candidates. In meeting these requirements, a former principal campaign committee can take into account the length of time of its prior registration, the number of contributions it has made and the number of contributions it has received. AOs 2004-03, 1988-41 and 1985-30.

V. Using Campaign Funds

A. Campaign/Officeholder Expenses:

It is permissible to use campaign funds to pay any ordinary and necessary expenses incurred in connection with the candidate’s campaign or official duties as a federal officeholder. Such expenses include the costs of moving equipment and furnishings and salary payments to committee staff members. 113.2(a)(1).

B. Non-Campaign Related Expenses:

Campaign funds can be used for certain purposes that are not directly related to the candidate’s campaign for federal office.

1. **Winding Down Expenses.**
   Campaign funds can be used to pay for the expenses of moving office and personal furnishings from the Congressional office in Washington, D.C., back to the Member’s home state. 113.2(a)(2). Key: costs must be “ordinary and necessary expenses” incurred in connection with ending the Member’s duties as a federal officeholder. AO 1996-14. Funds can be used to pay winding down costs for a period of six months after leaving office. 113.2(a)(2).
2. **Donations to charitable organizations.** 113.2(b). See AO 2005-06.

3. **Contributions to other candidates.**
Candidate committees may contribute up to $2,000 per election to another federal candidate 102.13(c)(2). Contributions to state or local committees are subject to the relevant state limitations and prohibitions. 113.2(d).
4. **Unlimited transfers to any national, state or local party committees.** 113.2(c). See AOs 2004-22 and 1996-09.
5. **Any other lawful purpose.** 113.2(e).

Prohibited: Personal Use

Campaign funds cannot be used to pay expenses that would exist irrespective of candidacy or duties as a federal officeholder.

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C. **Personal Use is Prohibited:**
1. **Campaign funds cannot be converted to personal use.**
2. **Determined by "the Irrespective Test" at 11 CFR 113.1(g).**
If expense would exist irrespective of the candidacy or even if the officeholder were not in office, that expense is personal use, i.e., impermissible use of campaign funds.
3. **Expenses Related to Campaign/Officeholder Duties**
Any expense resulting from the campaign/officeholder duties is not personal use, i.e., the ban does not apply.

D. Automatic Personal Use:

Some items are automatically considered personal use.

- Household food items and supplies.
- Clothing for political functions.
- Tuition payments. Campaign can pay for training for staff (See AO 1997-11).
- Mortgage, rent and utilities for a personal residence.
- Entertainment such as sporting events or concerts.
- Dues, fees, for example, at country clubs or gyms (unless paid as part of the cost of a campaign fundraising event – see AO 1995-26).
- Salary for candidate's family, unless they're performing a bona fide campaign service.

E. Case-by-Case Determination of Personal Use:

For other expenses, the Commission will determine permissibility, through the advisory opinion process, on a case-by-case basis. For example, see AOs 2011-17 and 2009-08 (security expenses for officeholders); 2011-07 (lawsuit related to campaign activity); 2010-26 (temporary storage for move from DC to home state after election).

VI. Terminating the Committee

Terminating

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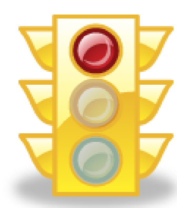
Terminating

Eligible if the committee:



- No longer intends to raise/spend money
- Has no outstanding debts or obligations
- Is not involved in ongoing audit, enforcement or litigation

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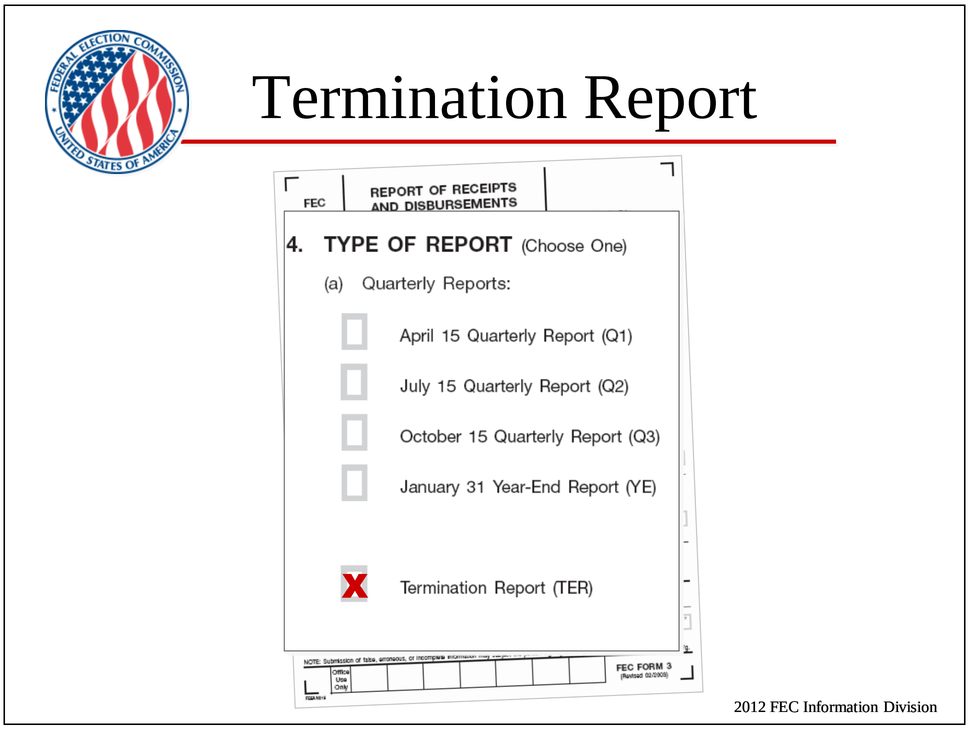
A. Termination:

To be eligible for termination, a committee must no longer intend to receive contributions, make expenditures or make any disbursements that would otherwise qualify it as a political committee. Also, a committee involved in an FEC enforcement action, and FEC audit or litigation with the FEC must continue to file regularly-scheduled reports until the matter is resolved. When a campaign committee wishes to terminate, it must file a Termination Report.



B. How to File a Termination Report:

Committees file a Termination Report by selecting the Termination Report Box on Line 4 of Form 3/3P's Summary Page.

What to Report

Your termination report must include:

- All receipts & disbursements not yet reported
- An accounting of debt retirement (if the committee has debts outstanding)
- The purpose for which any leftover campaign funds will be used

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Tips for Termination

- Reduce cash on hand to $0
- Remedy outstanding excessive contributions
- Pay or resolve outstanding obligations
- Send signed candidate loan forgiveness letter
- Correct outstanding issues cited in RFAIs

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File until Terminated

Remember, you must continue to file reports until you receive a letter from the FEC stating that your filing requirement has been terminated

Failure to do so may result in Administrative Fines

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C. What to File

1. Previously unreported receipts and disbursements.
2. An accounting of debt retirement or settlement.
3. Purpose for which any remaining committee funds will be used.
4. Signed candidate loan forgiveness letter.

Administrative Termination

- Eliminates reporting obligations for committees that appear to be inactive (11 CFR 102.4)
- Does not relieve committee of legal responsibility to pay outstanding debts and obligations
- FEC notifies eligible committees; treasurer has 30 days to object, otherwise termination takes effect
- Any financial activity in connection with federal elections voids administrative termination

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Administrative Termination

If a candidate's former committee was *administratively* terminated, it can be reactivated. A committee that terminated and received a termination approval letter from the Commission cannot.

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D. Administrative Termination - 11 CFR 102.4

1. The Commission can, on its own initiative or at the request of a political committee, administratively terminate the reporting obligations of a political committee that appears to be inactive. Some of the factors considered for administrative termination include the following:
   a) Aggregate reported financial activity is $5,000 or less in one year.
   b) Reports disclose no receipt of contributions from the previous year.
   c) The committee's last report showed minimal expenditures.
2. In administrative termination cases generated from within the FEC, the Commission will notify the committee of its intention to administratively terminate the committee. The treasurer has 30 days from the day of its receipt to object (otherwise the administrative termination takes effect).
3. Administrative termination does not relieve a committee of any legal responsibility for the payment of any outstanding debts or obligations.
4. Any financial activity in connection with federal elections voids administrative termination.

FEC Resources

- Website: www.fec.gov; see Reports Analysis FAQs at http://www.fec.gov/rad/index.shtml
- Toll-free Information Line: (800) 424-9530
- Email questions to info@fec.gov
- Educational Outreach:
  - Conferences/Seminars (email: conferences@fec.gov)
  - Roundtable Workshops &Webinars
  - E-Learning at fec.gov/info/elearning.shtml

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VII. Resources

A. For More Information, Please Use the Following FEC Resources:

- Website: www.fec.gov; see Reports Analysis Division FAQs at http://www.fec.gov/rad/index.shtml.
- Toll-free Information Line: 1-(800) 424-9530
- Press 5 for Reports Analysis Division; Press 6 for Information Division
- Email questions to info@fec.gov

B. Educational Outreach: http://www.fec.gov/info/outreach.shtml

- E-Learning: http://www.fec.gov/info/elearning.shtml.
- Conferences/Seminars (email: conferences@fec.gov)
- Roundtable Workshops
- Webinars